PURCHASE CARDS

HOW TO USE THEM
HOW NOT TO ABUSE THEM

Purpose of Briefing

1. To learn the proper use of Purchase Cards
2. To learn how to avoid the improper use of Purchase Cards
3. To learn that misuse of the Purchase Card is aggressively prosecuted.

Background

- The purchase card empowers the user with a great ability to streamline the acquisition process and to satisfy the needs of the job in an expeditious and efficient manner. As with all empowerment, it brings a responsibility to act ethically and properly within the constraints of laws and regulations.
- In the past, the ability to obligate Government funds was reserved for a few highly-trained procurement professionals. These trained personnel are schooled in law and regulation regarding the responsibilities inherent in spending taxpayer money.
- With the explosion of Government Purchase Card usage, many non-procurement personnel are empowered to obligate Government funds. These non-procurement personnel must be acutely aware of the restrictions and consequences for not properly spending Government funds.
- This short training module highlights some relevant statutes, regulations, and penalties involved when using the Government Purchase Card for personal use. Approving Officials and Cardholders have been held accountable for illegal or improper use of the Government Purchase Card.

General Rule

- An employee shall use Government property only for authorized purposes. 5 C.F.R. 2635.704, 31 U.S.C. 1301(a).

Penalties

- Intentional use of the Purchase Card for other than official Government business may be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of an individual's Purchase Card and further disciplinary actions. The Cardholder may be held personally liable to the Government for the amount of any non-Government transaction.

Penalties (cont)

- Military members that misuse the Purchase Card may be subject to court martial under 10 U.S.C. 892, UCMJ Art. 92. Depending upon the circumstances, other sections of the U.S. Code may apply and may carry additional penalties.

  Billing/Certifying Officials are liable for erroneous payments resulting from the performance of their duties (DoD Accountable Officials and Certifying Officers', DoD Directive 7000.15 and Chapter 33, "Accountable Officials and Certifying Officers", Volume 5, DoD Financial Management Regulation). Such liability may be relieved under specific circumstances (31 U.S.C. 3527 and 2538.)

CASE EXAMPLE

- Former Defense Enterprise Computing Center Contracting Officer
- Here, it was determined that a former Contracting Officer conspired to defraud the United States by awarding over $11 million in Government contracts to a company in which he had a financial interest and received approximately $500,000 in cash and benefits. The contracts were awarded using his Government Purchase Card as well as through traditional competitive contracting. Investigators found three companies and seven individuals were involved in this conspiracy. In the case, penalties included restitution and fines totaling $133,542 in addition to varying terms of imprisonment and probation. Two primary subjects were imprisoned for 10 and 11 years, respectively.

Case Example 2

- Former Departure Aircraft Aviation Control Group Supervisor
- Sentenced to 60 months imprisonment, 36 months probation, fined $7,500, and ordered to pay $223,306 in restitution for misusing a Government Purchase Card (GPC) to purchase items he converted to personal use, as well as using the GPC to pay businesses owned by his family members for work never performed.

SUMMARY (CONT)

- The overwhelming majority of Purchase Card holders are honest and take advantage of this quick and easy way to meet mission requirements; however, there is always someone who tries to use the Purchase Card for personal gain.
- DoD employees hold a public trust and conduct must meet the highest ethical standards. The Purchase Card shall be used only to purchase items and services within the guidelines of the laws, regulations and Government Purchase Card Program policy.

SUMMARY (CONT)

- Approving Officials and Cardholders are nominated for appointment because of their high ethical standards.
- The purchase card program team would like to thank you for your dedication to duty as we move ahead to further expansion of the program.

CONCULSION

Use the Government Purchase Card for official uses only.

Please verify completion:

- Click to Open Email to Agency Program Coordinator